

say. It is a very well-known thing that nothing less than 1,200 tons a month would pay for the boat's running, and I say that 750 tons would be nearer what she carried. She was not properly attended to, and was worked at a disadvantage, and the risk is this, that she was unsuited to the place, and was only covered for £2,000. I pass on to the next paragraph. "Mr. O'Connor states that Messrs. Johnston and Co. have been receiving commission upon every ton of coal sold from ships which have been carrying coal from Mokihinui." In reply to that the directors say: [Letter of 18th September, 1889, to Messrs. Johnston and Co. put in, letter-book, page 189.] It is said that the memorandum of agreement with Messrs. Johnston and Co. was never departed from or altered. I say that Johnston and Co. have charged $2\frac{1}{2}$ per cent. upon coal delivered at Napier and Lyttelton, as well as at Wellington, Foxton, and Wanganui, and Mokihinui; and that Johnston and Co.'s contract did not extend to those places, and that the money given to them for those places was a pure gift. No wonder that Mr. Gale wanted to get on the directory. $2\frac{1}{2}$ per cent. has been charged upon those items, and if the accounts of Messrs. Johnston and Co. are produced they will show it. [Letter of 19th September, 1889, accepting terms, put in.] We have never reached the second year's operations with Johnston and Co. because of the stoppages. I want also to show what they have been charging since—namely, $2\frac{1}{2}$ per cent. on contracts and cargoes of coal. The agreement has been departed from in two instances. Johnston and Co. have been allowed to charge $2\frac{1}{2}$ per cent. on coal delivered under contract with the Railway Commissioners when they were bound to keep the railways open, and could get no coal from any one but our company, and Johnston and Co. got at the rate of £125 instead of £50, their contract; that is the state of the account, honestly and truly, under which Johnston and Co. have terminated their contract; and I say that Mr. Gale has no right to be on the board—neither he nor Mr. Blair, for both have benefited by and worked for the company. I want the agreement made with the Railway Commissioners, and the account of the coal supplied to them.

Mr. Macarthy: A large portion of the sales were conducted on the undertaking of Mr. Gale and myself to deliver the coal.

Mr. O'Connor: The only object I have is to show that the whole of this coal was under offer as cargo, and consequently only 1 per cent. was warranted. Now with regard to my statements as to the directors. "Mr. O'Connor states that Mr. T. G. Macarthy has such a multiplicity of interests that he cannot attend to the company's business." The directors say—[see circular]. I say that Mr. Macarthy never visited the mine until the other day, and that shows that his business is of such an engrossing character that he cannot attend to the company's affairs. And he has admitted to me that his business is of a very important nature. Mr. Barton is a sheep-farmer, and I do not say anything to depreciate him on that account. As far as injuring him is concerned, I can only say that I have known him coming to give opinion on works on which he has shown himself to be uniformly wrong in his experience in engineering and coal mines. I have taken the trouble to inquire into his antecedents, and find that as an engineer he has never had any employment in the colony except under the Provincial Government during the last days of the provinces, when they were rushing forward works in order to get a loan. He laid out a road and tracks, and also had something to do in connection with the waterworks. I know he is called in the circular a civil engineer. He had taken upon himself to give engineering opinions upon the works of the company, and he ought to have satisfied me and others that he was qualified. He has never to my knowledge practised as an engineer. I have traced him for the past twenty years; and he is not an old man. If he has I will beg his pardon. I have no idea of his being a competent or practising engineer, and I only make the statement for my own protection. I know he made a great mistake about the company's line. He made several remarks about the staiths being off the plumb and that the line was wrong. He has resurveyed the line and been constantly pressing that a large sum of money be spent on it. He maintains that the line wants altering, and I say nothing wants doing to it except a few repairs and altering the track and cant of curves to put it in reasonable order at the cost of a few pounds for the purpose of carrying our coal in any quantity. He thinks that a great deal of money ought to be spent upon it, and the directors have authorised such expenditure, as will be seen by the resolution in the minute-book. As to his credentials, if I have made a mistake, and anyone will take the trouble to show me that I am wrong, I will withdraw what I have said at once. "Mr. O'Connor says Mr. Roskrige is in England, and his occupation precludes his giving much time to the company's affairs." [See directors' reply in circular.] That is in no way a denial of what I have said. I have taken an extract from the minutes of the attendance of the different gentlemen, and I find that Mr. Roskrige was absent for eight months. With regard to Mr. Sloan I have got to say that he was in Invercargill, and that his brother told me that he has a business there. Mr. Sloan's attendances were three for seven and a half months, when there were eight meetings held. In 1890, from 11th March to 11th October, there were thirteen meetings, at which he attended. "Mr. O'Connor makes some insinuations about Mr. Gale." [See director's reply in circular.] I mean by past experience, the connection he had with the purchase of the "Lawrence" and the system of charges on the agreement with Johnston and Co., which Mr. Gale succeeded in foisting upon the company. I stated that I objected to these charges, and immediately afterwards I heard that Johnston and Co.'s travellers were reported to be soliciting proxies for the annual meeting to put Mr. Gale on the board of directors. I wish to say now that the articles of association of the company, before they were amended, disqualify under clause 57 any person if he is concerned in or participates in any of the profits made out of the company. Who does it by his servant does it by himself—that is the rule of law. Mr. Gale is a servant of Messrs. Johnston and Co. (our agents), who have 1,000 shares in his name, and took that interest when the company was floated here. I say that any man, before accepting such a position, would find out whether he could honestly perform the duties, and it is not possible for any human being to serve two masters. I find Mr. Gale, for instance, on the board coupled with Mr. Macarthy in arranging for coal and